

SPEECH

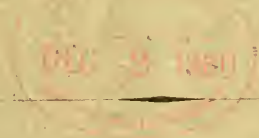
OF

HON. JOHN SHERMAN,

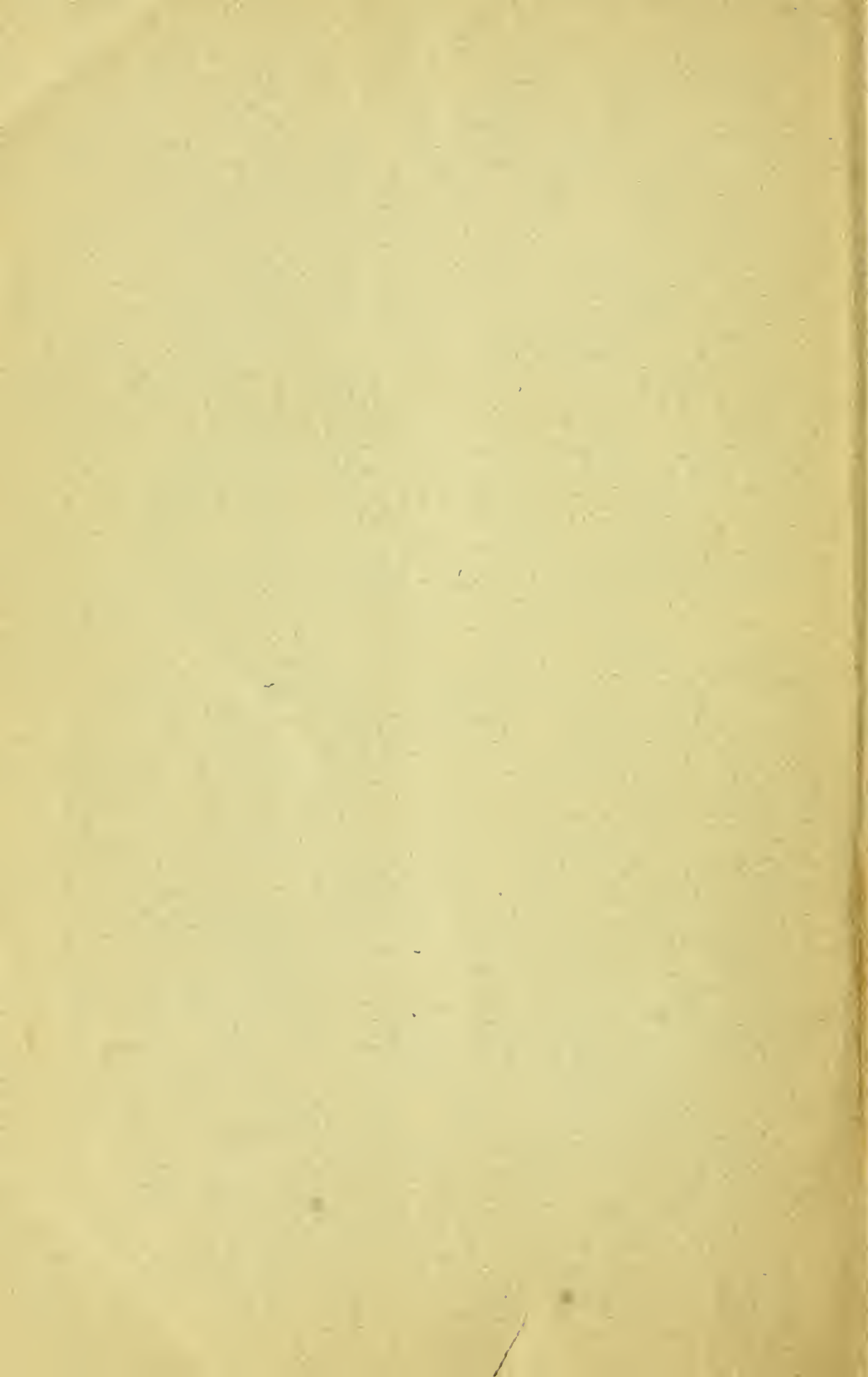
SECRETARY OF THE TREASURY,

DELIVERED AT

TOLEDO, MONDAY, AUGUST 26, 1878.



WASHINGTON, D. C.
NATIONAL REPUBLICAN PRINTING HOUSE.
1878.



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SPEECH

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HON. JOHN SHERMAN.

FELLOW CITIZENS : When I informed the Republican State Committee that I could speak once in Ohio during my brief visit, they inquired if it would be agreeable to me to speak in Toledo. I promptly answered yes, for I knew that, though your political associations had been greatly disturbed by questions which sprung out of the hardness of the times and the panic of 1873, you would yet give me a patient hearing, and thus be able better to judge how far we disagree.

I naturally suppose that you desire me to speak mainly on financial topics. My official position for many years in the Senate connected me with the financial legislation of Congress, and my present office requires me to carry into execution these laws. They relate mainly to the public credit, the public debt, our coin and currency, and the system of taxes by which the Government is supported. These topics are necessarily interwoven with each other, but each canvass brings some of them into more prominence than others.

QUESTIONS MOST DISCUSSED.

Now the questions most discussed are those relating to silver and resumption. These are only branches of the currency question, but they present the main difficulties in the administration of the Treasury Department, and will be mainly the subject of my remarks. The election this fall for members of the House of Representatives will practically settle them. There ought to be no partisan or personal feeling about them, for we are all interested alike in promoting the common good, and in settling upon a sound basis the currency of the country.

In undertaking to address you I will frankly and freely express my own opinion, but, while I remain in an executive office, I shall cheerfully and freely obey and execute the judgment of my fellow citizens as expressed by Congress, or give way to some one who will do so.

AMOUNT OF CURRENCY.

What I want is the largest amount of currency that can be maintained at par with the established coin of the country. From the diversity of our wants we must have many different kinds of money, to measure great wants and little wants. We must have coin money and paper money, and plenty of both. What I contend for is that, though our money may be of many kinds, ~~it~~ must all have the same purchasing power. The essential qualities of all good money are stability, equality, and convertibility. The dollar of one kind should buy as much as the dollar of any other kind. Depreciated money cheats the ignorant and the unwary, and enriches the money changer. The poor man whose dependence is upon his daily labor is the victim of depreciated money, for he must take what is offered and is always paid in the poorest money.

No distinction should be made between coin money and paper money, or between the noteholder and the bondholder. The money provided by the Government should pay all debts and be used for all debts.

Subject to these conditions I am for the largest amount of each kind of money demanded for the wants of business, and if you agree with me in these general propositions there will be no quarrel between us.

MEANS OF EXCHANGE.

Gold, silver, and copper, as well as the modern contrivance of paper money, are all useful means of exchange, and ought to be freely used and always maintained at par with each other.

Minor coins of baser metals are indispensable for the innumerable small wants of life. To measure these wants silver coin would have to be too small in size, and, therefore, copper and nickel are used, but these metals are so cheap that if coined at their intrinsic value the coins would be too large for convenience; so, by common consent, the old copper cents are abandoned, and token coins of copper and nickel are issued at several times their intrinsic value, but are maintained at par by the necessity of their use, and by being redeemable in money of full value when presented in considerable sums.

Silver money is the best and most convenient for the market and shopping transactions of life. Silver coins are, by all odds, more numerous than coins of gold, even in countries where gold alone is the standard of value. The shillings and half crowns of Great Britain outnumber the sovereigns many times, and in the United States the silver coins issued from February 1, 1875, to August 1, 1878, number 220,829,540, while the whole number of gold pieces issued during that time in the United States was 7,710,040.

No form of paper money can profitably take the place of silver. Our old fractional currency was the best substitute ever devised, but this cost annually nearly 4 per cent. to maintain it in decent condition, or nearly the interest of the money, while the amount lost, wasted and destroyed was a heavy tax upon the people who used it. It lasted on an average only fifteen months, while coin lasts thirty years. The largest possible use of silver and its freest circulation are indispensable to any system of money that can be devised, but it must be maintained in some way at or near the intrinsic value of other money.

HOW SILVER MAY DISPLACE GOLD.

If silver is coined at less than its market value and issued without limit it will as surely displace gold as water will displace air. Therefore, fractional silver is limited to \$50,000,000, and is issued only when required in exchange for United States notes. If it becomes too abundant it comes into the Treasury for taxes and is paid out only when demanded or willingly received.

So the coining of the new silver dollar, though a legal tender for all purposes, is limited by law to from \$2,000,000 to \$4,000,000 a month. The silver in this dollar is worth less in the market than the gold or even the paper dollar, and, if issued without limit, the silver dollar will surely depreciate below the gold dollar, and will become the single standard of value. This is as certain as the march of time.

GOLD INDISPENSABLE.

But gold also is an indispensable standard of value. It measures all the larger transactions of business life. It is used as such by most christian and civilized nations of the world, and its demonetization would be as great an injury as the demonetization of silver.

Now, fellow-citizens, I am in favor of so adjusting this matter that both metals will circulate at par with each other; that you will have gold eagles and silver dollars, and a dollar of either will purchase precisely the same commodities.

HOW BOTH METALS WILL CIRCULATE AT PAR.

This can be done while the market value of silver is lower than it should be in view of its legal ratio with gold, either.

First, by limiting the amount of silver to be issued, or,

Second, by readjusting the relative weight of coins, either by increasing the weight of the silver coin, or lessening that of the gold coin, or equalizing them by increasing the weight of silver and lessening that of the gold, or,

Third, by some plan to be adopted by the International Conference between bi-metallic nations now in session, which I sincerely trust may arrive at some practical result.

Any plan to keep these coins on a par with each other will meet my hearty concurrence, but I am utterly opposed to any measure that will deprive us of the use

of either of them, circulating side by side, with equal purchasing power, at par with each other. I assure you, in all frankness, that the silver question must be solved in some way, or we will have to adopt the single standard of silver like the Chinese and other Asiatic nations.

And now, fellow-citizens, I come to the most important question of this canvass.

THE MOST IMPORTANT QUESTION OF THE CANVASS.

Our paper currency is now happily brought very near to par with coin.

Will you insist upon keeping it at par, or will you, by repealing the resumption act, retrace the steps already taken, and embark again upon the sea of irredeemable paper currency? Shall our paper money hereafter be redeemable in coin upon the demand of the holder and be maintained at par with coin, or shall it be what its friends call a "fiat" money, irredeemable in coin, dependent upon the daily trade-marks of bankers and brokers for its value, and upon the changing majorities in Congress for its amount and quality?

This county of Lucas has always been a good Republican county. It earnestly supported the administration of Abraham Lincoln, supported all the measures of the war, and in patriotic exertions and sacrifices for the cause of the Union was not excelled by any portion of the United States of equal population. It is to you as Republicans that I wish to address what I have to say to-night.

THE REPUBLICAN PARTY THE PARENT OF GREENBACKS.

It was the Republican party which devised and issued the greenbacks, and which has thus far sustained them and advanced them by slow and gradual processes to par with coin.

No doubt there have been honest differences, as it is natural there would be, as to the means by which the result has been brought about, but there should be no difference among Republicans as to the desire that the money contrived by their policy, and the chosen instrument by which the forces of the United States were marshalled during our war should be made and kept equal to coin.

However varying currents of public opinion or temporary depression of industry may tend to disturb the public judgment, it should be the will and the duty of the great party to which we belong to make good the promises printed on the face of United States notes, especially when this is demanded not only by national honor, but by the clearest public policy. In this money, which is our own, we naturally take pride. We guarded it in its cradle when it was reviled and derided by our political adversaries, at a time when it was said it would wander like Cain with a mark upon its brow, dishonored and repudiated. We believed in it then and we believe in it now.

REDEMPTION PROMISED IN GOLD.

When it was issued we promised to redeem it in coin, and every fresh issue was accompanied by a fresh promise. In 1866 we not only, by law, promised to redeem it, but provided for the gradual contraction of its amount. In 1868 we suspended the contraction but renewed the promise. In 1869 we solemnly pledged the public faith to redeem the notes in coin.

No step, however, was taken for their redemption, and, under the stimulus of inflation, speculation ran riot, visionary schemes were entered upon, extravagance prevailed, until in September, 1873, the bubble burst, prices fell, the wild delusions of the time were dissipated and business men had to face the inevitable evils that always come from irredeemable paper money.

Then, after fifteen months' debate in Congress and before the people, as a remedy for the evils we were suffering, the resumption act was passed. Its only object was to make our paper money equal to coin. It was not the best possible measure, but was the only one that could be agreed upon. It was very general in its provisions, but it gave ample power to prepare for and to maintain resumption.

It did not abolish the greenback. On the contrary the greenbacks were expressly to be retained to the extent of \$300,000,000 as a part of the permanent currency of the country, and, on the 1st of January, 1879, were to be made as good as coin, to be redeemable in coin, and to be issued and re-issued as the money of the

people, the chief part of our paper currency. This was to be the fulfillment of our promises. This was our answer to those who said the greenback would never be redeemed.

THE RESUMPTION ACT HAS VINDICATED ITSELF.

And now, fellow citizens, the resumption act has vindicated itself. We will be prepared when the time fixed shall arrive, to execute it and maintain it, with entire confidence in its happy effect in the revival of business and the restoration of confidence.

Four months before the time fixed, silver, gold, and paper are almost on a par with each other.

A greenback will now buy within one-half of one per cent. as much provision, clothing, and other things as the best gold coin ever issued from the mint. The laboring man has a standard of value equal to that of the bondholder. The only promise unfulfilled by the Republican party is almost performed.

The steps by which the result has been achieved were simple, lawful, and beneficent, and, perhaps, it is best for me to state them as briefly as I can.

HOW IT WAS VINDICATED.

First. Silver coin has been gradually substituted for fractional currency. The amount of fractional currency redeemed to the 17th of this month is \$25,080,609. The amount of fractional silver coin issued to the same date is \$39,307,680. Here has been no contraction, but an increase of over \$14,000,000 current money by the substitution of a durable coin for an expensive and wasteful note.

Second. A gradual retirement has been effected of United States notes from \$382,000,000 January, 1875, to \$346,681,016. This reduction was made only as circulating notes were issued to national banks, and only to the extent of eighty per cent. of the notes so issued. This was to be continued until the amount outstanding was \$300,000,000, but Congress during the recent session, in view of the general desire to stop reduction, suspended it and fixed the amount of United States notes at \$346,681,016, the amount then outstanding. Though this adds to the difficulties of executing the resumption law, still I have entire confidence in our ability to maintain that amount in circulation.

GOLD ACCUMULATED AT THE RATE OF \$5,000,000 PER MONTH.

Third. Coin has been accumulated in the Treasury in anticipation of resumption. The authority to thus accumulate is plainly given by the resumption act, and was the chief means provided to secure and maintain resumption. My predecessors, no doubt believing that this accumulation ought not to commence during their terms, had taken no steps under the provisions of the resumption act.

When I assumed the duties of my present office, after careful study of the whole subject, I determined that it would be necessary to accumulate, in addition to the surplus revenue, the sum of \$100,000,000 of gold coin, and that it ought to be accumulated at the rate of \$5,000,000 a month from the 1st of May, 1877, to the date of resumption.

It was confidently declared by those who opposed the law that it would be impossible to accumulate this coin without putting up the price of gold, and thus defeating the object, but the experiment shows that it was not only feasible but advantageous to the current business of the country.

We accumulated easily during eight months of the year 1877 at the rate of \$5,000,000 a month, with gold constantly declining in price. This process was arrested by the debates in Congress and the threatened repeal of the resumption act, but was again resumed in the spring of this year, when it was found still more easy to accumulate coin by the sale of $4\frac{1}{2}$ per cent. bonds, and the original plan was executed sooner than was anticipated, by the rapid sale of the bonds, so that on the 10th of this month the Treasury of the United States was supplied with \$209,011,753.15 gold and silver coin and bullion.

PRECISE CONDITION OF THE TREASURY RELATIVE TO SPECIE.

I have received a recent statement from the Treasurer of the United States which shows the precise condition of the Treasury, in view of resumption, as follows:

TREASURY OF THE UNITED STATES,
WASHINGTON, D. C., August 20, 1878.

SIR: I have the honor to advise you that, on August 10, 1878, there were in the Treasury as follows:

Gold coin	\$185,273,016 85
Standard dollars	10,986,266 00
Gold bullion	6,539,657 89
Silver bullion	6,812,812 41
	\$2,9,011,753 15

Of which there will be required for the following payments:

Unmatured calls of 5-20 bonds	\$45,000,000 00
Coin certificates outstanding on that date \$43,721,370, less \$17,195,180 redeemed and in Treasury	26,526,190 00
Principal of debt estimated to be due and unpaid on that date	4,000,000 00
Coin interest estimated to be due and unpaid at that date	4,000,000 00
	\$79,526,190 00

Excess \$129,485,563 15

The gold coin on hand, stated above at \$185,273,016.85, does not include redeemed gold certificates, or any other coin item, but is actually gold coin.

There was also in the Treasury of that date \$5,095,246.38 fractional silver coin.

Very respectfully,

JAS. GILFILLAN,
Treasurer United States.

Hon. JOHN SHERMAN, *Sec'y of Treasury.*

\$134,580,000 IN COIN AVAILABLE OVER ALL COIN LIABILITIES.

It thus appears that, over and above all coin liabilities, the Treasury has \$129,485,563.15, besides \$5,095,246.38 fractional silver coin, available for resumption purposes without any charge or demand whatever against it, and supported by the power, if necessary, to sell bonds in aid of resumption. With this sum and with the powers conferred by law, I am satisfied that it is easy to maintain resumption, and such, I believe, is now the judgment of the best business men of the country, and of those most experienced in financial matters.

I do not think it necessary to enter into more detail as to the plan of, or the ability to, maintain resumption, or as to the arguments for or against the measures adopted in aid of it, as the subject was thoroughly discussed in Congress and my own views fully explained to the committees of Congress in interviews published by the Senate and House last winter, and no doubt accessible to you.

EVERY STEP HAS BEEN OPEN AND FRANK.

It is sufficient to say that since the passage of the resumption act every promise and expectation of its friends has been justified by events, and every prophecy of its opponents has been falsified. Every step in the process of resumption has been open, public, and frank, and beneficial in a business sense.

All the evils which you have suffered are the direct result of the inflation of paper money and the panic which preceded the resumption act. The whole process of resumption has substantially been carried on since the 1st of May, 1877, and has been attended with reviving business and prosperity. The failures that have occurred during this time have been the direct result of engagements and contracts made before that date.

And now, fellow citizens, the real question is, shall we go forward and complete this process, or shall we go back again to the period of irredeemable money with its inevitable resulting consequence of expansion, inflation, and panic? As you are the judges of last resort on this question, I beg of you to consider some general principle gathered from the experience, not only of our own people, but of all nations who have, at any period, maintained mixed standards of paper money.

WHEN IRREDEEMABLE PAPER MONEY IS JUSTIFIED.

Irredeemable paper money is only justified by war carried to the extent of national peril, when the life of the nation is at stake. It ought to be redeemable as soon as the public exigencies will permit. It is not money, but the promise to pay money. These are axioms of political economy, the truth of which all experience has demonstrated.

We issued this money only in the midst of such a peril.

Our error, if any, has been that we have delayed too long the measures of resumption. Now, when they are almost complete, and gold and silver and paper

money are practically convertible one into the other, when there is the same money for the bondholder and the noteholder, the rich and poor, when silver can be had for notes, and gold in ample store awaits the day of resumption, we Republicans should not debate the question of the repeal of the resumption act.

WE ARE RIGHT AND WE SHOULD GO AHEAD.

With all our promises on record, we should not be deluded by the cry for "fiat" money. Precisely what is the meaning of this phrase I do not know, but I presume it means a money that is not measured by any other, that is not redeemable in any other, but has its origin, force, sanction, and value in the mandate of the Government, and will vary day by day in purchasing power.

As between this kind of money and the old greenback regenerated, restored, convertible into coin, the standard of all value, and the medium of all payments, I am for the greenback against "fiat" money.

A great nation like ours, rich in varied resources, with a free people of remarkable intelligence, is not driven to resort to any expedients which would affect the public credit or the public debt, or disturb our harmonious relations in trade with foreign nations, but should adapt its money to the money of the civilized world, make it as good as any other money, and maintain its standard of value as high as that of any coin ever issued from the mint.

Some of you who believe in "fiat" money say you desire the same result, but it is clear that you can only maintain this money at par with coin, either by a careful limitation of its amount or by actual redemption in coin when demanded. If that is what you mean by "fiat" money, then we will not disagree, but it is well known that those who advocate "fiat" money want to increase the amount beyond a sum that can be maintained at par with coin, and seek thus to cheapen money by making it less valuable than coin.

WHO DESIRE CHEAP MONEY.

I can imagine how a man deeply in debt and hoping to escape bankruptcy may desire to cheapen the money in which his debt is to be paid, but why should a laboring man whose daily toil is measured by the money he receives, desire to cheapen it? Why should a farmer who sells his productions for money desire to lessen its purchasing power? Why should a prudent, thrifty, industrious man engage in any occupation, and who hopes by his thrift and industry to accumulate for himself a competence, desire to have his labor measured by a money of unstable value? It is the interest of every one engaged in industrial employments, and who is not a speculator or a broker, to have a fixed standard of value. If any of you who labor or are farmers, mechanics, or belong to any of the industrial classes of life, have hope in a depreciated money, you are greatly misled.

EVILS OF IRREDEEMABLE MONEY HERETOFORE.

All the great men of our country, our Revolutionary fathers and their descendants in the war of 1812, and the statesmen of the days of General Jackson, deeply felt the evils of irredeemable paper money, and experience led them to the conviction that gold and silver coin, or paper money well secured and convertible into gold and silver coin, was the best for all classes and for all industries.

In these general views in favor of resumption adopted by the Republican party we have had the sympathy and concurrence of a certain portion of the Democratic party, who, though they have always by instinct and habit voted against every measure of the Republican party from the beginning of the war to this time, even in the darkest hour of the war, have always professed to be in favor, and talked in favor of good money redeemable in coin. This class of Democrats, though they opposed the resumption act, did it because they declared it to be a hindrance to resumption, and denounced us because we did not resume sooner. This was the position of the last National Democratic Convention.

SENATOR THURMAN IN ACCORD WITH REPUBLICAN POLICY.

Senator Thurman, my colleague for many years in the Senate, was one of this class of Democrats, and, although our financial measures did not exactly please him and he generally voted against them, yet he freely said, like Mr. Bayard and others,

that he desired resumption and stood by the old Jackson Democracy in favor of hard money. The exigencies of party tactics have led him recently to make a speech, to which, with entire respect for him, I desire briefly to reply. So far as he seeks to show his consistency and concurrence with his fellow Democrats, it is a domestic matter, and I will not interfere, but some of the positions taken by him I must contest. He says:

I think I do them no injustice when I say that the leaders of the Republican party are in favor of directly the opposite course—that is to say, they would retire all the greenbacks in order that their places might be filled with national bank notes.

SENATOR THURMAN'S ASSERTION EMPHATICALLY DENIED.

Senator Thurman is greatly mistaken in this position. As I have already shown, the Republican party is not in favor of retiring the greenbacks in order that their place may be filled with national-bank notes.

No doubt some Republicans, like some Democrats, are in favor of the United States withdrawing from the business of issuing paper money, but the Republican party has never taken such a position, and now distinctly maintains the right and duty of the Government to keep in circulation such an amount of United States notes as can be readily maintained at par with coin.

In every law authorizing these notes there is a limit fixed to their amount.

During the war the guarantee was made, and never has been violated, that the amount should not exceed \$400,000,000 and no authority has ever been conferred upon any officer of the Government to reduce the amount below \$300,000,000, but now the minimum limit is fixed, as I have already stated, at \$346,681,016.

SENATOR THURMAN WANTS NATIONAL BANKS ABOLISHED.

In his speech at Hamilton, Senator Thurman openly advocates increasing the amount of United States notes outstanding from \$346,000,000 to \$668,000,000 by issuing United States notes in place of the national-bank notes outstanding. He declares that the principal feature of the Democratic platform is the proposed substitution of greenbacks for national-bank notes. He would thus render specie payments impossible during this, and, perhaps, the next generation, and this at a time when specie resumption, which he has so strongly favored, is on the eve of success.

THE POSITION OF THE REPUBLICAN PARTY DEFINED.

The position of the Republican party is in favor of greenbacks restored to their normal condition of paper money, equal to coin and redeemable in coin on the demand of the holder, while the position of the Democratic party, as stated by Judge Thurman, is in favor of the issue and maintenance in circulation of \$668,000,000 of United States notes without any provision whatever for their redemption or their conversion into coin.

This issue is distinctly made, and for one I distinctly accept it.

We favor paper money redeemable in coin, and the largest amount that can be maintained at par with coin, while he favors an amount of paper issued directly by the Government, not convertible into coin, with no provision for its redemption, and to an amount which no one has claimed can be maintained at par with coin.

He says it is just as easy to maintain \$668,000,000 greenbacks at par with coin as it is to maintain \$346,000,000 greenbacks and \$322,000,000 national-bank notes at par with coin.

BANK NOTES PAYABLE IN GREENBACKS NOT IN COIN.

But he forgets to state that the bank notes are payable in greenbacks and not in coin, and that they are to be redeemed by the banks at their risk and expense, and not by the United States. No coin reserve is needed by them for such redemption. The issue of these notes aids in maintaining the United States notes at par with coin instead of obstructing it.

The banks are required to keep in their vaults and in the Treasury of the United States an ample reserve of United States notes and bonds to redeem their notes, and thus give to the United States notes a use which tends to maintain them at par with coin.

The whole burden now resting upon the Government is to maintain resumption upon the amount of United States notes, and this confessedly can be done by a coin reserve of from thirty to forty per cent., (which reserve we now have on hand.)

while, if the whole amount of circulation, including national bank notes, was in United States notes, no coin reserve that could be reasonably secured and maintained would be sufficient for the purpose of resumption.

BANK NOTES NOT GOVERNMENT NOTES.

The bank notes are not in any sense the notes of the Government. They are the notes of private corporations, amply secured, redeemed by them, maintained by them, or, if they fail to redeem them, the security can at once be applied to their redemption. This expedient of allowing a portion of the circulation to be issued by private corporations enables us to maintain in circulation nearly twice as much paper money as could be maintained at par in coin if issued directly by the Government.

WHY THURMAN'S PLAN IS WRONG.

His plan would directly violate the provisions of the loan laws, under which both United States bonds and notes are issued, and which limit expressly the amount of United States notes to \$400,000,000. It would be a violation of the public faith, and would impair at once the public credit, and do inconceivably more harm than it could give profit to the Government.

This scheme of his conflicts directly with the decision of the Supreme Court of the United States, and would, no doubt, be held unconstitutional because it provides for a very large increase of United States notes in a time of profound peace, where no such exigency as is contemplated by the Constitution or decision of the Supreme Court exists to justify their issue.

THE INEVITABLE EFFECTS OF THURMAN'S POLICY.

It would at once drive out of existence the whole system of national banks which have been the means alone by which State banks have been prevented from issuing circulating notes. The only franchise the national banks receive from the Government which induces them to maintain their corporate existence, is the right, under limits fixed by law, to issue circulating notes. Take this from them, and they would at once cease, without exception, to be national banks, and would be organized again, as before the war, into State banks, with such powers as any State might give them. The inevitable effect of this policy would be to revive again the system of State banks without any common organization, without any security for their notes, upon such terms as any State might prescribe, and thus all the evils of State-bank money, which the people experienced before the war, would recur again. Nearly a generation has passed since the incongruous system of paper money which existed before the war was swept away by the national banking act.

It is safe to say that the injury done to the people of the United States by the failure of State banks, by the uncertain value of their paper money, by its limited local circulation and by successful counterfeiting, was annually greater than the interest of the entire national bank circulation of the United States.

BANKING CORPORATIONS THE WEAKEST MEMBERS OF A COMMUNITY.

It is easy to oppose banking corporations. Instead of having political power, they are the weakest members of a community. Say what you will of them their substitution for State banks was one of the wisest and most beneficial acts of the general Government since the commencement of the war. Personally I have but little interest in or feeling for national banks. But for the benefits derived from them, I would not care what became of them. Their continued existence ought to depend upon their ability, without cost or trouble to the United States, to maintain their circulating notes at par with United States notes or coin. If they fail in this they ought to be abolished. If they do it they ought to be continued. Scattered through the United States, they are useful financial agents in exchanging the products of industry and in localizing capital. They paid last year to the Government of the United States \$7,976,087 in taxes, and for State and local taxes \$9,701,732, or a total of \$16,777,819, or nearly four million more than Judge Thurman estimates we will save to the people by issuing greenbacks instead of the bank notes. These taxes would all be lost to the United States and to the States if the national banks were abolished. Their notes are secured beyond peradventure; they are protected from counterfeiting far more successfully than any former system, and, to their credit be it said, not one dollar has been lost on any national

bank note ever issued. Wherever you go you may carry their notes with confidence, without examination as to where or when they were issued. They are good everywhere in the United States.

THURMAN'S OBJECTION TO NATIONAL BANKS CONSIDERED.

Senator Thurman has stated some objections to the national banks, to which I will briefly reply. He says :

In the first place a national bank currency means the indefinite perpetuation of the public debt.

As a national bank exists only for twenty years from the date of its organization, and is liable at any time by act of Congress to be abolished, this does not seem a very potent objection. I am sorry to say that the prospect of paying our debt during the life of a national bank is not very flattering, nor is their existence likely to deter its payment. As for the influence of these institutions, so much feared by Mr. Thurman, it is not an object of alarm, for it cannot be combined, or if a combination were attempted, it could be overthrown by a single wave of popular opinion.

His second objection to the national banking system is "that it tends to combine, concentrate, and intensify the money power."

This again is an illusive fear. There is no power in this country that is so weak in political management as what is called the money power. It never has been nor can it be concentrated so as to affect political questions. The tendency of our institutions makes it easy to combine at once political opinion and political power against it.

NO TEN BANK PRESIDENTS AGREE.

Party organization is infinitely more powerful for combination than the money power. My own experience in office enables me to say that if you convene ten bank presidents you will have ten different opinions, while party organization brings even Judge Thurman and General Ewing on the same platform.

Nor is it true, as stated by Judge Thurman, that the legislation of Congress favored the money interest during the period of the sway of the Republican party, for this legislation was guided by the love of national unity and honor, and national existence. It tended to make our nation strong at home and respected abroad, and in no single question has it favored what is called the money interest.

THE VITAL ISSUE BETWEEN THE TWO GREAT PARTIES.

The vital issue between the two great parties has been, on the part of the Republicans, a desire to maintain the integrity of the Union and abolish slavery, to secure equal political and civil rights to all men, to maintain the national honor, and to advance the industrial interests of the country, while the theory and policy of the Democratic party has been to belittle the National Government, to subordinate it to the power of the States, to preserve slavery, to leave industry without protection and support, and to sectionalize into petty communities the elements of a great and powerful nation ; and these are now, and will be in the future, the inevitable tendencies of these two parties.

The third objection stated by him to the national-bank circulation is that it is a special privilege and takes many millions out of the pockets of the people. This again is untrue in point of fact and illogical in argument.

BANKS ENJOY NO SPECIAL PRIVILEGES.

The national-bank circulation is not a special privilege, but is open to every association of five persons that may be organized in any part of the United States.

To call it a special privilege is absurd. The same privilege might be granted to every individual citizen of the United States, but experience shows that a corporation is more wisely administered when it is composed of a number of persons, not less than five, than when it is controlled by a single person, and corporate authority is essential to preserve its existence in case of the death of a partner. But for this, the special privilege might be granted to every citizen who could give the requisite security for the redemption of the notes issued by him.

As to putting money into the pockets of the shareholders, this again is absurd. The Government pays nothing and contributes nothing to a bank. The shareholders

buy the bonds of the Government and deposit them with the Government for the security of the note-holders. If the bank retires, the bonds belong to the share-holders and not to the Government. Nor can the Government pay these bonds in any other way than it could pay the bonds in the hands of individuals. The Government would pay the same interest on these bonds, whether held by the bank or by citizens, or in Europe.

The reason why bonds are demanded as security is because they are the best security. But for this a mortgage security or a personal security might be taken, but as the Government security is the highest and best, this is demanded, not for the benefit of the Government, but for the note-holder, for whom the Government is a mere trustee. When the Government pays to the bank interest on bonds held by it as a security, it only pays what is justly due and what it would have to pay at all events to anybody holding the bonds until they are redeemed.

How it takes many millions annually out of the pockets of the people is hard to conceive.

No one borrows the notes of the bank unless it is for his interest to do so. The ability of the bank to lend is a convenience to the borrower as well as the lender. The Government cannot engage in this business of loaning money. It would be a sorry time for the people other than political strikers, if the Government loaned money. This is purely a private, personal employment, that should be as free as blacksmithing. The right to issue notes is free to all on the same terms, and when so guarded as to prevent loss to the note-holder, is the best possible means of increasing the amount of circulating notes.

He says that the Government ought to issue these notes. The answer is, that if the Government issues them, it must undertake to maintain them at par with coin, or else the people must suffer from the evils of an irredeemable currency. The cost to the banks of this redemption is already so great, before specie payments have actually come, that this so-called special privilege is getting to be a special burden, and more banks are surrendering their circulation than are taking circulation. It is a special privilege that more seek to avoid than to acquire.

Judge Thurman computes how much the United States would save if it issued \$322,000,000 more of greenbacks and redeemed that amount of bonds. I do not stop to examine this computation, but I only wonder why he stopped at \$322,000,000. Why not save the entire interest of the public debt by issuing greenbacks for the whole of it? Why not repudiate it at once? That would, according to his computation, save the entire interest of the public debt, or \$93,000,000 with no other loss than the loss of national honor.

TIMELY QUESTIONS THAT THURMAN SHOULD ANSWER.

What assurance has he that \$322,000,000 will satisfy the more advanced lights of repudiation? How will he pay out the \$322,000,000? Will he claim the right to pay the bonds at par with them? Does he deny the moral and legal obligation by which they are to be paid in coin? Does he propose to repudiate the act of 1869?

The immediate effect of the commencement of such an issue would depreciate the notes lower and lower, would widen more and more the gap between the notes and coin, would revive again the distinction between the bondholder and the note-holder—gold for the bondholder and depreciated paper money for the people. It would at once stop the funding operations under which we save one-third of the interest of the national debt. No man would buy either a four or a five or a ten per cent. bond in the face of an act of repudiation.

Again, as the notes depreciate, it becomes more difficult to provide coin for the payment of the interest; would he repudiate the obligation to pay the interest in coin? He says he is in favor of receiving greenbacks for customs duties. Will he, then, buy coin? If so, his policy will already have advanced the value of coin.

These are questions that so astute a reasoner as Judge Thurman ought fairly to answer before he persuades the people to embark in his scheme.

WHAT JUDGE THURMAN PROPOSES.

He proposes to issue more notes without any provision for their payment, when our revenues are ample to meet our expenditure, in a time of profound peace, when there is no motive of patriotism or duty or safety to impel such a course, and this merely to save the interest of four per cent. on \$322,000,000.

But this very act, if adopted, would prevent our selling a thousand million of four per cent. bonds with which to pay an equal amount of six per cent. bonds, and in this way would work an annual loss to the Government of \$20,000,000, or \$8,000,000 a year more than the entire saving proposed by his policy.

Again, what moral right has the Government of the United States to require its citizens to take its notes as money and a standard of value merely for the purpose of saving the interest on these bonds? In a time of war we may concede such a right, but in a time of peace there is no legal or moral foundation for such a claim unless the notes are maintained at par and redeemed at par. Is not the United States able to pay the interest of its notes?

THERE HAS BEEN CONTRACTION OF THE CURRENCY.

Judge Thurman says there has been contraction of the currency. No one disputes that assertion. It is true that the currency has been contracted, but this has been done, not under the resumption act, but by the voluntary action of the banks. They are free to issue or retire their notes, and they have done so.

If the special privilege about which he has discussed so much was so valuable to them, they would have increased their issues of bank notes, but instead of that the burdens imposed upon this privilege and the want of profitable use of money have induced the banks to reduce their circulation by a much greater amount than it has been increased, so that the effect has been a large decrease of the currency of the country, but it has not been caused by the resumption act. Under the resumption act the amount of currency has been somewhat increased, since the amount of United States notes retired since its passage is, as he states it, \$35,328,984. But there was issued to national banks in place of this \$44,161,230 of circulating notes.

Now, these are the objections stated to the national banks by Judge Thurman, and my answer to them.

It comes back again to this: Shall we have in the United States a currency redeemable in coin? Will we, to save interest, bear in the future all the evils of an irredeemable currency, tear up a system of banks infinitely better than any ever before enjoyed in this country, compel these banks to call in their loans and close up their accounts, and add to the distress of the times by dangerous and almost revolutionary proceedings against corporations of our own creation, which have no special privileges, and which contribute to the general good by paying large taxes and by acting as convenient localized agencies of loans and exchange.

OREGON, FLORIDA, AND LOUISIANA.

And here I might leave Judge Thurman's speech, but there are two or three points which I regret I have to answer. He says:

The seat of the Chief Magistrate—that seat that in times past has been and in all times should be an emblem of purity and honor—is occupied by a man who was never elected to it, and whose elevation was accomplished by the grossest frauds and boldest usurpations that ever disgraced the history of a free people.

This declaration is a gross injustice, and I believe Judge Thurman will live to regret that he ever made it. He was a member of the Electoral Commission which passed upon the returns of the votes of electors for President. He knows that every electoral vote of every State cast for President Hayes was received by him without dispute, without any pretension of fraud or error, except the votes of Oregon, Florida, and Louisiana.

GOVERNOR TILDEN'S AGENTS IN OREGON.

In Oregon there was an attempt by acknowledged agents of Gov. Tilden to cheat—I use the word in its worst meaning—the Republicans out of that vote and to bribe an elector, and it failed. In Florida there had been great irregularities and frauds committed by the Democrats, which were met, to some extent, by frauds on the part of Republican officers; but the evidence before the returning officers, as well as that taken in the contest for the election of a member of the House of Representatives, shows that a majority of the votes in Florida were fairly cast for the Hayes electors.

DEMOCRATIC CRIMINAL CONSPIRACY IN LOUISIANA.

As to Louisiana, I had better means of information than Judge Thurman, and I say to you that the criminal conspiracy by the Democratic party of that State to

control the election of 1876 so as to cast the vote of the State for Governor Tilden, has never been fully told. It extended to more than ten parishes or counties, and held in absolute terror five Republican parishes that had always since the war given about seven thousand Republican majority. It led to and included in its plan and scope scores of murders of Republicans, white and black, mainly intelligent black leaders of their race. It wounded, whipped, and maimed others, drove hundreds to the swamps at night, and spread universal terror among this ignorant and superstitious people who had the same legal right, and a better moral right, to vote than their persecutors whose hands were only recently red with the blood shed in war against the Union.

The chosen agents of this infamy were Democratic rifle-clubs fully armed, marching at night in disguise, distributing anonymous threats and occasionally executing them, and giving notice to leave the parish to the more intelligent, accompanied with threats and devices to excite fear and terror.

ANDERSON AND WEBER.

Such were the means used by the Democratic party to carry Louisiana. They may here and there induce a disappointed office-seeker like Anderson and Weber to falsify their former oaths, and even prevail upon poor negroes like Amy Mitchell and Mrs. Pinkston to withdraw their former depositions; but the scores of dead men killed by the rifle-clubs speak from their graves, and the men who killed them and rode their nightly rides of terror, know in their hearts that all that has been said of them is true. The statements and affidavits made by these people were submitted to the local returning officers selected by the State legislature, composed of two white men and two colored men, all natives of the South, and these men, who knew the surroundings and many of the facts, decided, in strict compliance with the law of that State, that under this law these parishes and polling places must be excluded, and it was done. Thus Governor Hayes got the vote of Louisiana as lawfully and fully as that of Ohio.

All this cry of fraud and usurpation ought, in the minds of just men, to react with fearful effect against the Democratic party; for it was their organized crime and violence that created the doubt which the returning board and Electoral Commission decided in our favor.

MISSISSIPPI AND ALABAMA.

And it must be remembered in this connection that there is a strong conviction, at least among the Republicans in this country, that the States of Mississippi and Alabama were secured for Gov. Tilden by the same unlawful means, but the laws of those States provided no remedy, and they were counted for Tilden.

DEMOCRATIC FRAUDS IN LOUISIANA AND NEW YORK CITY.

Judge Thurman should remember also that the history of the Democratic party has been marked in the past by great crimes against the elective franchise. The frauds in Plaquemine Parish, Louisiana, and in New York City, in 1844, will be remembered by every Whig in the land. Wholesale frauds committed in the city of New York in 1868, by which the vote of that State was cast for Seymour instead of for Grant were disclosed by a Congressional Committee, and are now admitted facts.

The frauds and crimes committed by the Democratic party in its attempt to organize the State of Kansas into a slave State were investigated by me as a member of a Congressional Committee, and, though disputed at the time much more stoutly than the Louisiana frauds, are now acknowledged as facts.

The chief frauds in this country in elections have been organized by the Democratic party. One of the dangers which threaten the country if the Democratic party comes into power, will be the bold and reckless use of election machinery to commit frauds and to organize violence, ballot-box stuffing, and kindred crimes, as a part of our American system of politics.

The Republican party, in the heat of party zeal, has done something in this way. I have no apology to make for such crimes—no sympathy with them—and would denounce and expose such wrongs, by whatever party committed; but it is pretty hard for us Republicans to be lectured about election frauds by members of the Democratic party.

DEMOCRACY RELIES ON SECTIONAL FEELING.

Again, he says:

Fellow citizens, nothing in politics seems more certain to me than that the Republican leaders rest their hopes of a prolongation of their power upon the success that may attend a studied and energetic effort on their part to excite and perpetuate sectional feeling.

It is a strange thing that the Republican party, distinguished for its national feeling, should be charged by the Democratic party with a desire to excite and perpetuate sectional feeling.

The strength of the Democratic party to-day, as before the war, lies in a united South, held, not only by sectional feeling, but by sectional feeling antagonistic to the Union, intensified by its early advocacy of States' rights, its attempt at secession, and by four years of bloody and unsuccessful war against the Union. This sectional feeling is so rampant that it ostracises native white men who become Republicans, holds in terror the entire black population, and by intimidation and ostracism prevents the free expression of opinion and the free vote of Republicans at elections in the South. The South is determined to be sectional, and as a section dominates the counsels of the Democratic party.

No intelligent man can doubt that if in the cotton States there was an open, fair opportunity to establish newspapers, to carry on a canvass, and to appeal to the natural instincts and interests of the voters of those States, a majority of every one of them would be with the Republican party.

PRESIDENT HAYES LABORING TO DESTROY SECTIONALISM.

The policy of President Hayes, his earnest desire and hope, is to destroy sectionalism, to invite by kindness and forbearance a like kindness and forbearance to the Republicans of the South. If this effort fails the South will be a slumbering volcano, which some day will break forth in retaliation and crime. For free men having constitutional rights cannot be chained by violence. Intelligence and organization will soon enable them to assert their rights or deter the practice of such violence.

The Republican party is purely a national party. Its instincts are national, its policy is national. In no Republican State could anything like opposition to freedom of speech, freedom of the press, free discussion be tolerated, nor would any one for a moment be allowed to be deterred from voting as he pleased, while in some of the Democratic States in the South, such a thing as free speech and free press and reasonable toleration of opinion, is scarcely recognized. The dominant press would denounce as a crime what we here in the North regard as the right of every citizen—to speak and vote as he chooses.

A CARICATURE OF TRUTH AND JUSTICE.

In the face of these facts the following statement by Judge Thurman seems to me the caricature of truth and justice :

It is not enough that the South has frankly and manfully accepted the results of the war; that, waiving all questions as to the mode of their adoption, no voice is raised against the binding force of the constitutional amendments; that every law passed by a radical Congress, however doubtful its constitutionality, or manifest its injustice and impolicy, is nevertheless obeyed.

I pass over, as matter of taste, the inference he raises against the mode of adoption of the constitutional amendments, and the doubt he expresses as to the constitutionality of the laws to enforce them—to say that the Democratic party has not frankly and manfully accepted the results of the war; that it does not accept, observe, or enforce the constitutional amendments or the laws passed in aid of them. It is precisely of this that the Republican party complains; it will try to enforce, and, though temporarily divided and defeated, will continue to demand, and will certainly in time secure the observance of these amendments. It was the organized plan to deprive the Republicans in Louisiana of the right to vote that occasioned the controversy there, and so in Mississippi and South Carolina.

I have no doubt that many of the planters, business men, and property holders of the South, now acting with the Democratic party, are anxious to and in time will be able to protect the blacks in their rights, but they are not the dominating influence in the South. It is not they who, like Judge Thurman, denounce Presi-

dent Hayes as a usurper and a fraud, but thousands of them acknowledge that the policy adopted by the Republican party to the people of the South at the close of the war was without example in the history of the world, and they gratefully acknowledge that the policy of President Hayes will secure to the South peace, order, and prosperity.

THE AMENDMENTS NOT ENFORCED IN THE SOUTH.

But I, who supported this policy and shared in it, feel as do Republicans generally, that the South has never frankly or manfully responded to it. They do not enforce the amendments. They do not give equal civil and political rights to either white or black Republicans. They do not permit or tolerate that free expression of opinion, discussion, and action essential to a Republican government; but, by their adherence to the very elements in the North that encouraged them to rebellion, that brought upon them the very waste and desolation of which they complain, they repel all efforts to break down the sectionalism of the past, and make it vitally necessary again to concentrate the people of the North in order to secure peace, order, and liberty.

“JUSTICE AND EQUALITY” (?).

Judge Thurman, in conclusion, says:

Do you wish the Union preserved? Then support those who would bind it together by the ties of fraternal feeling and a common interest, as well as by constitutions and laws. Do you revere justice and advocate equality of rights? Then support the party on whose banner “Justice and Equality” are indelibly inscribed.

“Do you wish the Union preserved?” What party ever threatened this Union? What party was arrayed in arms against it during the war, and what sacrifices were made for it in the North? Did ever any Republican seek to disturb the Union? “Justice and Equality!” When did the Democratic party distinguish itself for justice and equality?

Perhaps, fellow citizens, as an Executive officer, I have erred in following Senator Thurman in so much of his speech as is purely political, but I am none the less a Republican and a partisan, and I trust the time will never come when I will cease to have pride in the merits and past achievements of the great party to which we belong. It is rather hard to have the Republican party, which has done so much for the existence and honor of our country, assailed so unjustly by Democrats, who, during the trying time of our history, have been passive and neutral. I promise you now to adhere, during the brief time I will detain you, to the business topics in which we are all alike interested.

BUSINESS DEPRESSION ALSO GENERAL ABROAD.

Judge Thurman says:

Now, certainly no one will deny that this country has for the last five years suffered, as perhaps no other country ever did suffer, from depression in every branch of business in every industrial occupation.

I deny this statement in toto. That this country has suffered from depression in many branches of business and in many industrial occupations I admit, but every civilized and Christian country in the world has suffered to a greater degree. In comparison with any nation of modern times our condition in every respect is more prosperous and happy. If you read the English, French, or German papers, you will find that our causes of complaint are nothing to be compared with theirs, while in our country there are many circumstances which relieve the general depression.

Let me name some of the hopeful signs of the times.

The whole period since the war, and before the panic, was a debt contracting period. From July 1, 1863, to July 1, 1873, our imports exceeded our exports in the enormous sum of \$1,047,069,219. Much of this was for silks and furbelows, contracted for in the faith of corner lots marked up, of inflated fortunes suddenly acquired, but most of it was for articles that our own labor should have produced. It represented foreign capital loaned to our citizens and to corporations, and paid for in government and corporation bonds and private notes.

The same causes produced extravagant prices here. Wild schemes, railroads

built twenty years in advance of their need, reckless expenditures led to the contracting of numerous debts, and to the mortgaging of our corporations, homes, and farms.

Since the panic the whole condition of our trade and business has changed. Since 1874 our exports have exceeded our imports in the sum of \$507,459,237.

During the last fiscal year the excess of exports was \$257,459,250, the aggregate of our exports reaching the sum of \$680,683,798, and during this fiscal year this excess of exports is increasing. This is a debt paying process. The great body of the debts contracted before the panic is now settled, either by payment or bankruptcy, or readjustment.

OUR BONDS NOW HELD AT HOME.

At one time it was estimated that the amount of United States bonds held abroad approached \$1,000,000,000. Two years ago the general estimate was about \$600,000,000. Now, after the most careful examination, it is estimated somewhere near \$200,000,000 to \$250,000,000.

The comir.on fear expressed for the success of any plan of resumption was that foreign nations could at once, by a return of our bonds, exhaust our gold and thus defeat resumption, but this is no longer to be feared when the surplus exports for a single year would pay off every dollar of our national debt held beyond the limits of the United States.

Last winter, when an exaggerated fear prevailed in Europe as to the effect of the Silver Bill, \$60,000,000 of our bonds were promptly absorbed by our own people in sixty days, and, although this stopped the sale of bonds by the Treasury, it strengthened our position by bringing them home.

Another favorable sign of the times is the very large increase of domestic production, both of the farm and of the workshop, which not only fill the place of goods heretofore imported, but enable us to compete with foreign nations in their own markets.

WONDERFUL INCREASE IN EXPORTS.

I have here a recent table showing the increase of leading exports of our own production. This shows that our exports of cotton, iron, steel, copper, leather, and other manufactures has increased within ten years nearly two-fold, and that the exports of our agricultural implements and provisions have increased nearly three-fold. The total amount of certain leading commodities exported in 1868 was \$141,000,000, and in 1878 was \$404,000,000, showing an increase of \$263,000,000.

Another table shows that our importation of certain fabrics which we can readily make in this country has diminished nearly one-half. Of textile fabrics, including manufactures of cotton, silk, clothing, and dress goods, the amount imported into this country in 1873 was \$159,000,000; the amount imported in 1878 was \$85,000,000, making a diminution of \$74,000,000, most of which was supplied by our own production.

FALLING OFF OF IMPORTS.

The imports of iron and steel in various forms in 1873 was \$59,308,452, while 1878 it had fallen to \$9,057,633, showing a diminution of \$50,250,819. This falling off was supplied by our own industry.

The total of the leading manufactures named in this table imported in 1873 was \$272,957,633 and during the fiscal year ending June 30, 1878, it was \$124,211,734, making a falling off of \$148,747,899. This great decrease was especially noticeable in the imports of manufactures of cotton, silk, wool, iron, and steel.

This increase of our exports and diminution of our imports is perhaps the most remarkable in modern times.

We are competing in cotton fabrics with Manchester, in cutlery with Sheffield, in iron and steel with Birmingham, in watches with Switzerland, and in gloves with France. It is a debt-paying and trade-developing process that is adding immensely to our wealth.

REDUCTION OF INTEREST OF DEBT.

Our progress towards resumption is accompanied by increased national credit, and by a large reduction of the interest of the public debt.

Under the refunding act, which is designed to convert our six per cent. bonds into bonds bearing a lower rate of interest, we have already sold at par in coin,

500 millions of five per cent. bonds, 246 millions of four and a half per cent. bonds, and 135 millions of four per cent. bonds, the proceeds of which (except 90 millions sold for gold coin now in hand) have been applied to pay an equal amount of six per cent. debt, making an annual saving in the interest of the debt, of ten millions of dollars; and we are now daily selling the four per cent. bonds directly to the people upon the basis of a popular loan in sums as low as \$50. These bonds have become the savings banks of the people, a safe deposit for their surplus money, always available for use when needed, and depending upon the honor of the nation, and, therefore, safe from loss.

The most satisfactory feature of this loan is that it is held in small sums by great numbers of our fellow-citizens, and is distributed throughout all the States in the Union. During the first twenty days of the present month our sales of four per cent. bonds amount to \$20,000,000, and I now have the confident assurance that during this year they will exceed \$100,000,000, and will pay off all the 5-20 six per cent. bonds of the issue of 1865.

PRODUCTION OF GOLD AND SILVER.

The United States is now the largest producer of gold and silver in the world. During the last year the estimated production of gold was \$45,000,000, and of silver \$39,000,000, and, though the Comstock lode gives evidence of exhaustion, other mines are being discovered, and the probabilities are that our production will increase rather than diminish. This is an important element in the question of our ability to maintain resumption.

DEVELOPMENT OF AGRICULTURE.

Then, again, the enormous development of our agricultural production, the chief employment of our people, gives a source of wealth and prosperity unexampled in any nation in modern times. From the Atlantic to the Pacific, from Canada to the Gulf of Mexico, our country has been blessed with bountiful harvests, assuring plenty of food to all our people, and an increase of our exports to Europe. I understand that a rich stream of wheat is now pouring into your port for shipment.

It is this industry which lies at the foundation of our prosperity, and which invites now millions of laborers to aid in the development of uncultivated lands. The war withdrew from agriculture millions of laborers who are again invited to join in this most healthful and happy pursuit of life, and the crowded cities are freely invited to send their surplus population to fruitful fields, and bountiful harvests.

After the war of 1812 the migration commenced which peopled Ohio, Indiana, and Illinois, and, although there are no such rich lands open now for settlement, yet Texas, Kansas, Nebraska, and the whole tier of States west of the Missouri river, together with the undeveloped Territories of the West, invite migration and insure to labor a just reward, and offer facilities for transportation and settlement that our fathers did not enjoy.

LABOR QUESTION.

And now, fellow-citizens, in conclusion, let me invite your attention briefly to the agitation of the labor question, not only in this country, but in other countries where production has exceeded consumption and thrown out of employment many industrious laboring men, and paralyzed important branches of industry, especially of the iron and coal industries.

I know that in some places labor is depressed, that wages are low, that many a willing hand finds it hard to get work, and sometimes hungry men, women, and children want food and clothing; and shame be to him who does not sympathize with such suffering and relieve it if possible. No wonder that honest labor grows soured at the inequalities of life, and sometimes listens to the cry of the demagogue that human laws have caused this distress, and that if he was in office he could furnish redress.

THE SAME LABOR DISTRESS THROUGHOUT EUROPE.

The same distress in a far greater degree exists in Great Britain, France, Germany, and all civilized nations, whatever may be their forms of currency or stand-

ards of value. The only remedy would seem to be to pursue new industries and seek new markets to be supplied. Our own country is blessed with cheap lands inviting labor, and the energy of our own people, as I have shown, is already discovering increased employment in supplying productions heretofore made abroad, and in sending our home productions to foreign countries. All that the Government can do within its limited powers it ought to do to encourage, protect, and foster labor.

And I can say of our laws and institutions that they are far more favorable to the laboring man than those of any other country; and any idea, or reform, or measure that is proposed to relieve and protect labor finds in the Republican party its earnest and sympathetic advocate. That party has done more for the protection and development of labor than any other.

Our Constitution and laws guarantee to every man equal civil and political rights. Property is more equally distributed here than elsewhere, except in France, and excluding the negroes who but recently acquired the right to vote, a greater proportion of our citizens are property holders. More than two-thirds of our voters, with this exception, are property holders, and the rest want to be, hope to be, and can be.

This country of ours is not a permanent field for tramps and communists. Our laws for the distribution of property tend directly and rapidly to distribute large estates.

Property here is required to pay more tribute to labor than in any country in the world.

GOVERNMENT WILL PROTECT LABOR.

Property educates the children, maintains all your charitable institutions, your streets, roads, and local improvements, and all parts of National, State, and local government.

The very few taxes that attach to those who have no property are on whisky, tobacco, and beer, which are voluntary taxes.

If the Government can do more to protect labor, it will. It offers to every citizen a homestead on the public lands. It offers every man an equal chance. Every office and honor is open to equal competition, and it gives to no man rank, title, or advantage except what he himself acquires.

This is all that a free government can do. It can not take the property of the rich and divide it among the poor. It cannot, as is proposed, take the public treasure, collected by taxes, and distribute it in any other way than for the limited proper objects provided for by the Constitution. It cannot control contracts men make with each other, except where they are grossly immoral or violate public policy. Its office is spent when it secures freedom, equality, and an equal chance in the race of life.

While the sympathies of the Republican party must ever be with the laboring man, it cannot violate the fundamental principles of free government, in order to favor any class, or refuse to protect any class in the enjoyment of life, property, and the fruits of labor.

In the general management of your affairs the Republican party has done all that it could do to develop the national resources and maintain the national honor, to protect all men in equal rights, to secure to all men equal privileges and an equal chance in life; and it is ready to adopt any proper and constitutional mode of relieving distress and advancing the interests of any portion of the people. I can safely appeal to all of you who have shared in the honors and labors of this party, to still stand by its flag, now that the difficulties of the recent past are passing away, with the full hope that our country, always advancing and prospering since liberty was first proclaimed by our Revolutionary fathers, is still destined to advance under the guidance of the Republican party, to higher honor and greater prosperity.

APPENDIX A.

Values of the principal commodities of domestic production, the exportation of which greatly increased from June 30, 1868, to June 30, 1878.

Commodities.	Year ending June 30,		Increase.
	1868.	1878.	
Agricultural implements	\$673,381	\$2,575,198	\$1,901,817
Live animals	733,395	5,844,053	5,111,258
Bread and breadstuffs	68,959,997	181,774,507	112,793,510
Coal	1,516,220	2,359,467	843,247
Copper, brass, and manufactures of	999,250	3,078,349	2,139,099
Cotton, manufactures of	4,871,054	11,435,628	5,564,574
Fruit	403,512	1,376,969	970,457
Iron, steel, and manufactures of	6,389,429	12,084,048	5,694,619
Leather, and manufactures of	1,414,372	8,077,659	6,663,287
Oil-cake	2,913,448	5,495,163	2,581,715
Coal oil and petroleum	21,810,676	46,574,974	24,764,298
Provisions	30,278,233	123,344,986	93,271,733
Total	144,926,987	403,820,801	262,899,614

APPENDIX B.

Values of the principal commodities of foreign production, the importation of which greatly decreased from June 30, 1873, to June 30, 1878.

Commodities.	Value imported during year ending—		Decrease since 1873.
	June 30, 1873.	June 30, 1878.	
Clocks, watches, and materials,	\$3,274,825	\$812,582	\$2,462,243
<i>Textiles:</i>			
Manufactures of cotton	29,752,116	14,398,791	15,353,325
Manufactures of flax	2,428,591	11,490,758	8,967,533
Manufactures of silk	29,835,867	19,701,731	10,134,136
Clothing	8,541,161	6,676,789	1,874,372
<i>Wool:</i>			
Unmanufactured	20,453,938	8,363,015	12,070,923
Carpets	4,388,257	398,389	3,989,868
Dress goods,	19,447,797	12,055,866	7,391,931
Other manufactures of	26,623,721	12,239,862	14,383,859
Total textiles,	159,464,248	85,355,131	74,109,117
<i>Iron and steel:</i>			
Bar, rod, sheet, and hoop	7,477,556	1,634,767	5,842,849
Iron in pigs and bars	13,817,281	1,250,057	12,597,224
Railroad bars	19,744,702	539	19,744,172
Anchor, chains, and other	3,594,900	920,799	2,674,110
Steel ingots, bars, &c	4,155,294	1,220,037	2,935,197
Steel cutlery, saws, &c	10,492,779	4,035,512	6,457,267
Total iron and steel	69,338,452	9,157,633	60,180,819
Copper, brass, and manufactures of	3,916,171	617,188	3,298,983
Lead in pigs and bars	3,222,627	333,936	2,888,691
Tin and tin plates	18,356,673	12,112,532	6,244,141
India rubber and gutta percha	99,187	242,564	6,763
Tea	21,466,174	15,660,168	8,806,002
Grand total	272,959,633	124,211,734	148,747,899



